Confidential.

D.O. No.C/2933/211.

The Residency, Bangalore.

5th November 1928.

My dear Maharaja Sahib,

I had a further conversation with Mr Banerji on the subject of the Assigned Tract revenues on the 1st November, but delayed writing to Your Highness till I had received from Mr. Banerji a written memorandum on some of the points raised.

Mr. Banerji told me that Your Highness considered the question as practically settled. It was true that you considered the datum line should be 12½ lakhs instead of 13. but if the Resident thought that 13 lakhs was the irreducible minimum, you would leave the responsibility of deciding the point with the Resident. Your Highness, however, hoped that the Resident on further consideration would agree with the views of your Government.

I very much appreciate Your Highness' kind message. I have again considered the point and very much regret that I find it impossible to agree to the lower datum line. I am not going to trouble Your Highness with a mass of arguments in support of my position. What I would like briefly to urge on Your Highness' consideration is this. From what Mr. Banerji has said and written it is the half lakh special sanitary grant that makes the difference in his computation. This must, we think, be excluded because it could be withdrawn or reduced by the Residency. Theoretically there is something in the argument. To apply it in practice is a widely different matter. The grant has been paid for 10 years and it could not possibly be withdrawn now. It is in fact regarded as a permanent grant. In principle it is a charge placed on the provincial revenues of the tract for carrying out a